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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH PROGRAMME FOR COSTA RICA

Programme period	Resources	$
1992-1996	Net IPF	4 821 000
	Estimated cost-sharing	10 208 000
	Total	15 029 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. At present the Costa Rican population numbers 3.1 million, with an annual growth rate of 2.7 per cent; it is estimated that 53 per cent of the inhabitants are urban residents. The economically active population constitutes 34.4 per cent, of which 71 per cent are men and 29 per cent are women. The unemployment rate is 4.6 per cent.

2. During the period from 1986 to 1990 the gross domestic product (GDP) increased at an average rate of 4.5 per cent per year, amounting to $1,790 per capita in 1990; exports increased at an average annual rate of 7.3 per cent, amounting to $1,448.2 million in 1990; and imports increased at an average annual rate of 10.8 per cent, amounting to $2,025.8 million in 1990. In that year, non-traditional exports represented 48.5 per cent of total exports. Agriculture accounted for 16 per cent of the GDP, while industry and services contributed 26 per cent and 58 per cent respectively. The agricultural sector represents approximately 60 per cent of the value of the exports. Traditional agricultural export production has reached high levels of technology; however, the productive structure of small farmers continues to use little technology and has very little diversification. The manufacturing industry has shown substantial growth; however, it is not very competitive on the international market.

3. For decades, the Governments that have democratically succeeded one another in power have made great efforts to give the Costa Rican people suitable health, education and labour-protection services. The adult literacy rate is 93 per cent both for men and for women. Life expectancy at birth is 75 years. In the rural area 83 per cent of the population have access to potable water and 63 per cent have access to health services; in the urban area these percentages are considerably higher. This situation places Costa Rica among the countries having a high index of human development, according to Human Development: 1991 Report.

4. Nevertheless, there are persistent imbalances in the distribution of wealth, and approximately 23 per cent of the population live in precarious conditions. This situation is made worse by the current tendency to reduce social expenditure as a result of adjustment policies.

5. Owing to inefficient exploitation of natural resources, the country is experiencing severe environmental deterioration, which is manifested in a marked process of deforestation, loss of biodiversity and a considerable increase in urban, agricultural and industrial pollution.

B. National development objectives and strategies

6. The basic objective of the Government's strategy is sustained development with social justice and equity, in a context of macroeconomic stability and environmental preservation. In the economic field, the development strategy promotes the gradual opening of the economy to international trade and the diversification of exports; it promotes the conversion of the productive apparatus, emphasizing reconversion and agro-industrial and industrial modernization; it promotes the strengthening of scientific and technological capacity and its connection with productive sectors; it encourages domestic savings and modernization of the financial sector; and it promotes investments and active participation by the private sector.

7. With a view to creating conditions of economic growth on solid foundations, efforts are being made to strengthen the process of stabilization and adjustment in order to reduce the fiscal deficit, inflation and the foreign deficit. This process is being carried out with an economic programme based on rationalization

of the tax system; redimensioning of the State; reduction of public expenditure; stimulation and facilitation of exports; reduction of protective customs duties; and implementation of appropriate foreign-exchange, monetary and credit policies. In order to support the economic programme, the Government is negotiating a third Structural Adjustment Loan (SAL III) with the World Bank, having signed a contingency agreement with the International Monetary Fund (IMF).

8. In the social field, the strategy emphasizes the focusing of public expenditure on the groups that have fewer resources, in order to compensate for the effect of the adjustment; it promotes managerial and administrative efficiency in the public institutions that operate in the social field, so that they can improve the quality and coverage of their services and rationalize their expenditure; it promotes social participation and economic democratization; and it provide incentives for productive activities among the most disadvantaged groups.

9. Lastly, the strategy promotes the economical use and sustainable management of natural resources, with emphasis on reafforestation and the creation of protected areas throughout the national territory.

II. EXTERNAL COOPERATION

A. Role of external cooperation

10. The Government is carrying out a programme of international technical cooperation to support the above-mentioned governmental strategy and priorities. In 1990 international cooperation amounted to approximately $315 million, of which $251 million represents financial cooperation, $62 million represents technical cooperation, and $2 million represents food cooperation.

11. International technical cooperation was concentrated mainly on training and development of human resources ($13.5 million); institutional strengthening ($9.7 million); social development ($6 million); regional development ($5.6 million); health ($4.2 million); and natural resources and the environment ($4.4 million). The main cooperators were the Governments of Italy, Japan, the Netherlands, Spain, Sweden and the United States; the Inter-American Development Bank (IDB); the Office of the United Nations High Commissioner for Refugees (UNHCR); and UNDP. Financial cooperation concentrated on economic management ($83 million); institutional strengthening ($41.5 million); energy ($35 million); agriculture ($28 million); industry ($25 million); and social development ($19 million). The main cooperators were Japan, the United States and Taiwan, the World Bank, the Central American Bank for Economic Integration (CABEI) and IDB. The main sources of food cooperation were the Governments of Canada and Italy and the World Food Programme (WFP). Technical cooperation provided in 1990 with resources belonging to the agencies of the United Nations system amounted to $11.7 million and represents 19 per cent of the total amount of international technical cooperation. The main agencies were UNHCR, IMF, UNDP, PAHO/WHO, UNICEF, FAO, UNFPA, UNESCO, ILO and IAEA.

12. Costa Rica also from the regional cooperation provided as part of the initiatives for the development and integration of the Central American region. In particular, Costa Rica participates in: the Central American Economic Plan of Action (CAEPA); the San José Ministerial Conferences with the European Community; the Association for Democracy and Development (ADD); and the Special Plan of Economic Cooperation for Central America (PEC), sponsored by the United Nations and coordinated by UNDP.

B. Aid coordination arrangements

13. The Ministry of Planning and the Ministry of Foreign Affairs are the agencies responsible under the law for the negotiation, management and coordination of international technical cooperation. At present the coordination machinery for international technical cooperation consists of: participation by the country in meetings of the Consultative Group; consultative meetings between the Ministries of Planning and Foreign Affairs and representatives of cooperating sources; consultative meetings on strategic areas between the cooperating sources and national institutions, prominent among which are the periodic meetings for the coordination of international technical cooperation for the environment.

14. The Government believes that UNDP plays a relevant role in coordinating the activities of the operational system of the United Nations; in providing support to the Government in the organization and design of coordination strategies; and in its capacity to convoke the cooperating community on priority subjects for development. Of special importance is UNDP's computerized service for providing timely and up-to-date information to the Government and to the cooperating community on the status of implementation and negotiation of programmes, projects and activities involved in technical, food and financial cooperation.

III. THE COUNTRY PROGRAMME

A. Assessment of the ongoing fourth country programme (1987-1991)

15. The fourth country programme was conceived to support governmental action in four priority areas: (a) improvement of machinery and processes for governmental decision-making; (b) support for the process of economic democratization and social consolidation; (c) promotion of the process of economic restructuring; and (d) support for the strengthening of national identity. The fourth programme responded quickly and flexibly to the Government's needs, adapting itself to changes in strategy and priorities. Among its most significant results the following may be mentioned:

(a) Strengthening of the national capacity to formulate strategic development policies and programmes, which are given concrete form in the national development plan for 1990-1994, and to identify and programme technical-cooperation needs that appear in the national programme for international technical cooperation;

(b) Strengthening of the Government's negotiating capacity for: the successful arrangement with private banks for the reduction of foreign debt by approximately $1 billion; incorporation of the country into GATT and definition of its position in the Uruguay Round and other international trade forums; and the negotiation of loan agreements, including SAL II, with the World Bank;

(c) Transfer and adaptation of new technologies by means of: the creation of nuclei of technological management for the reconversion and modernization of selected enterprises; the introduction of bamboo as an alternative for the construction of low-cost housing; the introduction of data processing into the curricula for pre-school and primary public education; and the introduction of modern data-processing systems for improving management and decision-making in key institutions of the public sector;

(d) Strengthening of the dialogue between the Government and the private sector by means of periodic consultative meetings designed to coordinate actions for industrial reconversion and improvements in competitiveness;

(e) The provision of low-cost housing for the marginal rural population and the promotion of income-generating activities for women's groups with scant resources.

16. However, during the fourth programme there was a dispersion of actions and resources among a large number of projects; a tendency to utilize the resources obtained from international technical cooperation as budgetary support; and difficulties on the part of national institutions in furnishing the promised counterpart resources.

B. Proposed UNDP cooperation

1. Preparatory process

17. The preparatory process for the fifth programme was the responsibility of a working group made up of representatives of the Ministry of Planning and of UNDP. The process included: the identification of the needs and the definition of the strategy of international technical cooperation; the participation in the 1991 Advisory Group Meeting; the mid-course correction of the fourth programme; the ongoing dialogue, at the highest ministerial level, on global and sectoral policy; coordination meetings between the agencies of the United Nations system; meetings with the cooperating community; meetings with experts in industrial reconversion, modernization of the State, social compensation and the environment. In addition, the following were analyzed in the process: the national development plan; the UNDP advisory notes; the proposals made by the Government to the 1991 Advisory Group; the plan of action of the Government for human development, childhood and youth, of 1991; the contingency agreement with the World Children's Fund; PAE II and the proposal for SAL III; and various sectoral studies prepared by governmental institutions and cooperators.

2. UNDP cooperation strategy

18. In spite of the limited resources of the indicative planning figure (IPF) the Government believes that UNDP cooperation has an outstanding role by virtue of the relevance of its mandates, its impartial character, its flexibility and the speed of its response to the Government's requests, its access to universal sources of technical and scientific knowledge, and its capacity to associate itself with other cooperators in and development activities.

19. For that reason, the Government believes that UNDP cooperation represents a comparative advantage and produces maximum impact in support of the following: the formulation of policies, strategies and programmes in priority areas; the strengthening of key institutions of the public sector; and the transfer and adaptation of knowledge and experience, including advanced technologies. Similarly, the Government encourages the use of the IPF as seed capital for the mobilization of resources, owing to the managerial and administrative solvency of UNDP and its experience in projects with an innovative focus. It also considers relevant the support given by UNDP to the strengthening of the national capacity for the management of international technical cooperation.

3. Selected areas of concentration for UNDP cooperation

20. The fifth programme supports the implementation of the national development strategy, in three priority areas:

(a) Modernization and transformation of the productive apparatus;

(b) Poverty alleviation;

(c) Environment and sustainable development.

(a) Modernization and transformation of the productive apparatus

Objectives and programmes that require UNDP assistance

21. Most of the country's productive units are characterized by low productivity and low product quality, owing to a limited technological level and personnel with little training. This fact prevents such units from being competitive in the various markets. Even though the country has recorded an increase in its exports, including some non-traditional ones, they have been subsidized to some extent by devaluations, fiscal incentives, protection systems and low wages.

22. The Government's objective is to modernize and transform the productive apparatus in order to augment the exportable supply with competitive products and services, increasingly diversified and with greater added value, which ensure a real increase in the people's income and standard of living.

23. To that end, the Government is implementing a programme of action which emphasizes the following: agro-industrial and industrial reconversion and modernization, particularly for small and medium-sized enterprises, with emphasis on technological management; training of the human resources necessary for new productive processes; strengthening of the external sector, with emphasis on diversification of the exportable supply; strengthening of negotiating capacity in international forums; participation by the country in integration schemes and expanded markets; improvement and expansions of services to facilitate exports; and the encouragement of foreign investment.

Proposed UNDP aid

24. UNDP cooperation in support of the Government's action for the modernization and transformation of the productive apparatus and its integration into the international market will be carried out through a programme which will have a positive impact on the indices of human development, through economic growth, the creation of employment, increasing the people's income and the formation of human capital. At the same time, the programme will promote the Governing Council's priority areas with regard to the development of management skills and to the transfer and adaptation of technology for development. The programme consists of two components: (a) industrial reconversion and technological management, and (b) strengthening of the external sector, with a total cost of $2.1 million, of which $1.2 million (57.5 per cent) comes from the indicative planning figure (IPF) and $0.9 million (42.5 per cent) comes from cost-sharing.

Industrial reconversion and technological management

25. UNDP will support the Ministry of the Economy, Industry and Trade and the Ministry of Science and Technology in designing policies and programmes for the reconversion and modernization of the agro-industrial and industrial sector and in establishing an institutional framework for stimulating the effective participation of the public and private entities involved in the reconversion process.

26. At the same time, UNDP will continue supporting the Centre for Technological Management and Industrial Data Processing with a view to improving the competitiveness of a number of selected enterprises, especially small and medium-sized ones, through the creation of technological management nuclei which will stimulate modern practices and styles of management, innovations in products and productive processes, the introduction of modern systems for quality control, the assimilation and adaptation of advanced technologies and the training of human resources with attitudes favourable to change. The Centre will produce a

multiplicative effect by acting as a centre for the dissemination of knowledge in the area of technological management through the training of consulting firms and technical institutions which operate in that field.

Strengthening of the external sector

27. UNDP will support the Ministry of Foreign Trade in consolidating a permanent negotiating unit which will provide assistance in: negotiations for trade aperture and the promotion of investment with the countries of the Western Hemisphere in the context of the Americas Initiative; the negotiations with the European Community and the countries of the Pacific Basin to open markets and facilitate trade; the definition of the national position in the negotiating groups of the Uruguay Round; the implementation of the Round's agreements and the fulfilment of the commitments made after joining GATT.

28. UNDP will support the Export Promotion Centre in: developing an integrated pilot programme to promote exports, oriented towards small and medium-sized enterprises; establishing a data base and an information network on markets, prices and trade opportunities; the facilitation of procedures; and the management of a system of export incentives.

29. Similarly, UNDP will support the Coalition for Development Initiatives (CINDE) in implementing a programme for promoting foreign investment and joint ventures with the countries of the European Community and of the Pacific Basin.

Complementary assistance

30. The resources coordinated by UNDP for the programme of modernization and transformation of the productive apparatus include an agreement on cost-sharing with the Government for technology management.

31. Other relevant complementary activities include support for: the Export Promotion Fund from the United States Agency for International Development (USAID); promotion of exports through joint ventures, with credit from IDB to CINDE; the Chamber of Commerce for the promotion of exports, financed by Germany; a training centre for the areas of production for industrial reconversion, financed by Japan; the exports of small and medium-sized enterprise through credit and technical assistance, financed by Taiwan; and the reform of the customs system, financed by IDB.

32. Moreover, PEC will supplement UNDP's national action through support for: Central American industrial modernization, with emphasis on technology, financing and external marketing; the formulation of investment policies and projects for Central American agricultural development; the harmonization of joint Central American positions in the Uruguay Round; and the facilitation of intra-regional and extra-regional trade.

(b) Poverty alleviation

Objectives and programmes which require UNDP aid

33. Even though Costa Rica is one of the Latin American countries that have traditionally devoted a larger amount of resources to social expenditure, it is estimated that some 100,000 families live in poverty and that 10 per cent of them are living in extreme poverty. One can also observe a clear deterioration of social services, aggravated by budgetary restrictions arising from adjustment policies.

34. The objective of the Government's action is a search for equity, through greater efficiency of social compensation assistance mechanisms and through social and economic promotion of the weakest groups in society.

35. With regard to social compensation, the Government intends to focus social expenditure on the poorest 30 per cent of the population and to improve the effectiveness and coordination of the institutions of the sector in order to reduce their administrative costs and increase the resources reaching the beneficiaries.

36. With regard to social and economic promotion, the Government's programme of action seeks to improve the human settlements of the most disadvantaged groups, subsidizing housing and promoting participation by the beneficiaries in meeting their basic needs for services and infrastructure. It also supports microenterprises and small enterprises through the granting of credit, providing training in management organization, marketing and suitable technologies, promoting productive and marketing networks and promoting women's participation.

Proposed UNDP aid

37. UNDP cooperation in support of the Government's action to alleviate poverty will be carried out through a programme which will have a positive impact on the indices of human development by enhancing efficiency in social investment, reducing poverty and urban overcrowding and raising the levels of sanitation, employment and health. At the same time, the programme will promote the priority spheres of the Governing Council with regard to the development of management capacities, women in development, the transfer and adaptation of technology for development, and poverty eradication and grass-roots participation in development. The programme consists of the following components: the focusing of social expenditure, housing and human settlements in communities with a shortage of resources, and the development of microenterprises and small enterprises, at a total cost of $14.8 million, of which $1.5 million (10 per cent) comes from IPF, $9.3 million (63 per cent) from cost-sharing and $4.1 million (27 per cent) from the Government's contributions in local currency.

Focusing of social expenditure

38. UNDP will support the Ministry of Planning, the Joint Institute of Social Assistance and the Directorate of Social Development and Family Allowances in the establishment of a single system for the identification, selection and prioritization of the beneficiaries of social projects. The system is based on: a computerized register of the poorest population of the country, kept constantly up to date through surveys; training at institutions which provide assistance programmes; and the definition of parameters that determine the effectiveness and suitability of those programmes. The system will enable the institutions offering those services to focus their resources on the poorest 30 per cent and will be an essential instrument for decision-making on the management of its assistance institutions and for evaluating and reviewing its programmes.

39. This effort will be supported by large-scale training of public executives at the highest level in the institutions of the social sector for promoting the use of data-processing technology in support of modern management and decision-making processes, the rationalization of procedures, improvement of the quality and suitability of the services provided, and the reduction of costs.

Housing and human settlements in communities with a shortage of resources

40. In rural areas, UNDP will continue giving support to the Ministry of Housing with regard to the massive owner-built construction of low-cost housing, using the new bamboo technology. For that purpose, bamboo-growing areas will be

expanded, so as to have the raw material necessary for the construction of some 3,000 homes a year. In this process, provision is made for the generation of employment in the extraction, maintenance and establishment of bamboo plantings; the processing and preservation of bamboo; and the manufacture of panels and components for The Housing Mortgage Bank will subsidize housing construction, enabling the beneficiaries to obtain the seed money necessary for the development of small productive projects carried out with the support of non-governmental organizations (NGOs).

41. UNDP will also continue giving support to the General Directorate for Refugees in order to ensure the settlement of the rural refugee population of the Brunca Zone through the provision of housing and of health and educational services and through the their productive incorporation of refugees into the economic life of the region.

42. In urban areas (San José, Limón and Puntarenas) UNDP cooperation will concentrate on improving the quality of marginal settlements, strengthening the capacity of those communities to plan, operate and maintain installations, basic services and improvements in housing. These activities will take place on the basis of a methodology for the promotion of community self-management, through grass-roots organizations and NGOs, emphasizing women's participation; and support at the international level (the Ministry of Housing and other ministries, regional-development committees and municipalities) to identify financial, legal and institutional obstacles and to coordinate State action in such communities.

43. Lastly, UNDP will continue giving support to the institutional strengthening of the Ministry of Housing, emphasizing the formulation of policies and programmes for housing and human settlements in order to deal with the growing needs of the poor sectors of the population.

Development of microenterprises and small enterprises

44. UNDP will support the National Apprenticeship Institute in establishing a system for the transfer of the technologies suitable for the scale and capacity of microenterprises and small enterprises. It will strengthen the capacity of the Institute to identify and select technologies through the establishment of a technological data bank and the training of personnel in the techniques of disaggregation and transfer of technology. Emphasis will be placed on the creation of networks and actions of microenterprises and subcontracting. Those activities will be supported by credit and technical assistance in management and marketing, furnished by the programme of action to benefit microenterprises and small enterprises, coordinated by the Ministry of Labour.

Complementary assistance

45. The resources coordinated by UNDP for the poverty-alleviation programme include cost-sharing agreements with: Denmark, for the focusing of social expenditure and community self-management in urban communities with scant resources; the Netherlands, for the construction of bamboo dwellings in rural areas; Italy, for the integration of refugees in the Brunca Zone; and Finland, for the definition of national housing strategies. They also include agreements for local-currency governmental contributions for the focusing of social expenditure and the construction of bamboo dwellings.

46. Parallel financing for the programme includes support from the United Nations Development Fund for Women (UNIFEM) for the training, organization and promotion of women's microenterprises; from the World Food Programme for owner-built construction and basic infrastructure; from the Netherlands for credit, for technical and productive training and for management training to

microenterprises, a programme implemented by ILO; and from ILO, for occupational training for microenterprises.

47. Other complementary activities relevant to the programme include support from UNFPA for the preparation of socio-demographic indicators; from UNICEF for water supply and urban sanitation; from UNICEF and Spain for basic services; from WFP and UNICEF for the establishment of community homes in marginal communities; from the International Fund for Agricultural Development (IFAD) and the Central American Bank for Economic Integration (CABEI) for credits to small producers of the Northern Zone; from UNESCO for improving the quality of basic education; Sweden for housing construction in marginal urban communities; from Canada for the granting of credit for housing construction in communities with scant resources; from IDB, Spain, Denmark and CABEI for credits in the area of microenterprises and small enterprises; and from USAID, through NGOs, for microenterprises and small enterprises.

48. PEC will likewise supplement UNDP's national action with support for the formulation of social-investment policies and projects emphasizing basic education and primary attention to health and nutrition; and the rationalization of social expenditure for poverty eradication.

(c) The environment and sustainable development

Objectives and programmes which require UNDP assistance

49. Even though 27 per cent of the national territory is covered by some system of conservation, the situation in those areas is threatened by: the lack of a satisfactory legal and institutional framework; the fact that there is little planning and little prioritization in establishing the areas; the pressure of economic agents; and deforestation and its consequences.

50. The Government's objective is to preserve and restore ecological processes and make rational use of natural resources. To that end, the Government's programme of action proposes the institutional strengthening of the natural-resources sector and the establishment of a national system of conservation areas, which will concern itself with the conservation of protected areas and the sustainable management of adjacent areas by means of: the promotion of techniques of sustainable production, the promotion of ecotourism, environmental education and investigation of biodiversity in order to determine its potential for generating resources.

Proposed UNDP assistance

51. UNDP cooperation in support of the Government's action in the area of the environment and sustainable development will be carried out through a programme which will have a positive impact on the indices of human development through the conservation of natural resources, the creation of jobs and the training of human capital. At the same time, the programme will promote the mandates of the UNDP Governing Council with regard to grass-roots participation in development and to the management of natural resources. The programme consists of two components: strengthening of the institutional framework in support of the national system of conservation areas, at a cost of $9.4 million, of which $0.8 million (8.5 per cent) comes from IPF and $8.6 million (91.5 per cent) comes from a complementary contribution made by the Global Environmental Facility (GEF).

Strengthening of the institutional framework

52. UNDP, together with the World Bank, will support the Ministry of Natural Resources in making a diagnosis concerning the system of protected areas in order to determine how representative its ecosystem is and how well its management is

adapted to the area's capacity to sustain its biodiversity, the legal framework of protection, the modalities of landholding, tourism, the work of the NGOs and the needs for financing. Similarly, policies and actions in the public forestry sector will be evaluated in order to determine the suitability of its organizational structure, its human and financial resources and its geographical distribution.

53. This action will be supplemented by the establishment of a system of environmental information which will make it possible to obtain timely and sufficient information to support management decision-making and to coordinate actions between the central and regional offices of MIRENEM, the conservation areas, the satellite areas and other institutions scattered throughout the national territory.

Support for the national system of conservation areas

54. UNDP will provide support in the protection and management of two areas of conservation: the La Amistad Biosphere Reserve and the Osa Conservation Area, which cover about 7,800 square kilometres, representing 15 per cent of the national territory and 56 per cent of all protected areas. That action will be carried out through the following: the preparation of strategies and the implementation of research projects, especially to determine the productive uses of biodiversity; the implementation of programmes of sustainable development in adjacent communities; the training of human resources through education and the training of professionals and community leaders and grass-roots organizations; and institutional strengthening for the protection, management and administration of the core areas.

55. In addition, UNDP will support MIRENEM in the formulation of management plans and in the preparation of diagnoses on the burden-bearing capacity of areas subjected to strong tourist pressure, for a proper ordering of the installation of infrastructures and the flow of visitors.

Complementary assistance

56. With support given by GEF to the Osa and La Amistad conservation areas is the essential core of UNDP's environmental and sustainable-development programme. Other relevant complementary activities include support for the following: innovative projects of community groups and NGOs in GEF's priority areas; studies on the emission of gases that affect the ozone layer, supported by the Montreal Protocol; sanitation and the environment, supported by UNICEF; the National Soil Conservation Service and reafforestation and the conservation of natural resources, supported by the Netherlands and FAO; the promotion of technical-cooperation networks relating to sustainable development, supported by FAO; the incorporation of environmental content into the educational curriculum, supported by Sweden and UNESCO; the La Amistad Reserve, supported by Sweden; the Osa Conservation Area, supported by the United States, Sweden and Denmark; the Arenal Conservation Area, supported by Canada; the Tortuguero Conservation Area, supported by the United States; and the management and protection of protected areas and access to them, supported by the United States.

57. PEC will also supplement UNDP's national action through support for: the Central American Commission on Environment and Development, in preparing and launching a strategy for the sustainable development of natural resources and the environment; and WHO/PAHO for promoting the programme to improve the environment and health.

C. Cooperation not included in the areas selected for concentration

58. UNDP will support the Office of the President and the Ministry of Planning in modernizing and rationalizing the State apparatus, horizontally strengthening the three proposed areas of concentration. Modern management systems and advanced technology will be used to develop information systems that will facilitate the definition and analysis of alternative scenarios relating to State reform and the evaluation of the impact produced by policies on the country's socio-economic development.

59. Similarly, UNDP will support the Ministry of Finance in putting into operation a computerized system for the recording and monitoring of the public debt and decision-making relating to it. The system will make it possible to establish an information network between the institutions involved and to reduce the cost of debt service by means of an early warning system.

60. UNDP will continue to give support to the National Service for Irrigation and Drainage in improving small irrigation systems in pilot areas; the establishment of a computerized system of information on its management; and the training of farmers.

61. The foregoing actions represent a total cost of $2.19 million, of which $0.85 million dollars (39 per cent) comes from IPF; $0.04 million dollars (1.9 per cent) comes from cost-sharing; and $1.3 million dollars (69.1 per cent) comes from an agreement on the administration of services.

D. Plans for implementation and management

62. The Government has prepared the fifth programme by using, in so far as possible, a programme approach centred on the three areas of concentration mentioned above. Each concentration area of the programme will have a coordinating committee consisting of the Ministry of Planning, UNDP and the institutions involved in the implementation of the various components, in order to evaluate and follow up the programme.

63. The Government also recognizes the importance of having UNDP cooperation implemented through the modality of national execution. To that end, efforts will be continued in the search for a machinery that will satisfy both the legal and administrative requirements of accounting supervision on both sides and the quality and timeliness of delivery of the input for the implementation of the programme.

64. In the fifth programme maximum advantage will be taken of the country's technical capacity. If the needed know-how is not available nationally, recourse will be had to short-term international consultants and to the agencies of the United Nations system for the implementation of highly specialized components. Similarly, advantage will be taken of the machinery made available by UNDP, such as the United Nations International Short-term Advisory Resources (UNISTAR) and the United Nations Volunteers (UNV), as low-cost and high-quality alternatives. Costa Rica will also make use of the machinery of technical cooperation among developing countries (TCDC), particularly with the countries of Latin America.

ANNEX I: FINANCIAL SUMMARY

I. CALCULATION OF RESOURCES (IPF + participation in the financing of expenditures) WHICH ARE TAKEN INTO ACCOUNT IN PROGRAMMING

(Thousands of dollars)

Fourth cycle IPF balance	0	
Fifth cycle IPF	4 821	
Subtotal IPF		4 821
Project cost-sharing (Government)	927	
Project cost-sharing (Third party)	9 281	
Programme cost-sharing	0	
Subtotal cost-sharing		10 208
TOTAL		15 029

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Modernization and transformation of the productive apparatus	1 200	887	2 087	13.9
Poverty alleviation	1 500	9 281	10 781	71.7
Environment and sustainable development	800		800	5.3
Assistance not included in the programme areas	850	40	890	5.9
Subtotal	4 350	10 208	14 558	96.9
Unprogrammed resources	471	-	471	3.1
TOTAL	4 821	10 208	15 029	100.0

III. SUPPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A.	UNDP-administered funds	
	UNIFEM	500
	UNFSTD	2 700
	Subtotal	3 200
B.	Other United Nations resources	
	JCGP participating agencies	
	UNFPA	206
	UNICEF	781
	WFP	6 801
	IFAD	4 500
	Other United Nations agencies (not UNDP-financed)	7 898
	Global Environmental Facility	8 520
	Subtotal	28 706
	Total non-core and other United Nations resources	31 906

C. Non-United Nations resources

Modernization and transformation of the productive apparatus		
USAID	22 500	
IDB	1 857	
Germany	1 600	
Japan	8 000	
Taiwan	15 000	
Poverty alleviation		48 957
IDB	16 500	
CABEI	3 000	
Sweden	7 463	
USAID	300	
Canada, Spain, Denmark 1/		48 957
Environment and sustainable development		
Sweden	5 000	
USAID	8 370	
Denmark	1 846	
Canada	3 456	
Subtotal		18 672
TOTAL		94 892

1/ These sources have provided information on projects complementary to UNDP action but have not furnished any figures, since they are in the process of resource allocation.

ANNEX II

PROGRAMME MATRIX

Area of concentration	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	Technical cooperation among developing countries	Transfer and adaptation of technology	Women in development
Modernization and transformation of the productive apparatus						
Industrial reconversion			*		*	
Technological management			*		*	
Strengthening of the external sector			*			
Facilitation of exports			*		*	
Promotion of foreign investment			*			
Poverty alleviation						
Focusing of social expenditure			*	*		
Low-cost housing in rural areas	*	*	*	*	*	*
Human settlements in urban areas	*	*	*			*
Incorporation of refugees from the Brunca Zone	*					*
National housing strategy			*			
Development of microenterprises and small enterprises	*				*	*
Environment and sustainable development						
Strengthening of the institutional framework		*	*			
Support to the national system of conservation areas	*	*	*			

a/ Asterisks indicate major linkage only.

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